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Perspectives*

## Part I - Major World Problems

1. General. The balance between the US and USSR in the tangible elements of national power, while continuing to be marked by offsetting asymmetries, is unlikely to change fundamentally. Perceptions of the less tangible aspects of the balance of power--national attitudes, will and momentum and direction of international events--may change importantly in either Moscow or Washington or elsewhere. In a situation of rough equality in intercontinental nuclear forces between the US and USSR, other national assets will become the contingent elements of the "strategic" balance of power. In addition, the strengths and weaknesses of the US and USSR will be measured in part by the nature of regional power groupings with which the two nations are associated. Other nations will therefore have a major influence on the policies, conduct and politically useful power of the United States and the Soviet Union. Additional nations possessing nuclear weapons or pursuing coercive policies through control over critical economic resources could upset the international equilibrium. The conflict between the suppliers and users of natural resources will strain the world's political, economic and social institutions. The United States therefore, will be faced not only with a persistent threat to its interests from the USSR but also turbulence in its relationships with other nations.

2. The USSR. The United States and the Soviet Union will remain principal adversaries during the next five years, although relative detente and an absence of armed conflict will probably continue to mark their relationship. The Soviet leaders seem convinced that in the overall "correlation of forces" world events are moving in favor of the USSR. They will attempt to further this movement through political action in Western Europe, the Near East and South Asia and to a lesser extent in Latin America. In doing so, the Soviets will try to avoid confrontation with the US and overly assertive foreign policies which might risk a reversal of favorable trends in US-USSR relations and world affairs generally. The USSR will seek to keep detente as the leading feature of its foreign policy with the US and Western Europe for at least the next five years, because it offers more advantages than any other alternative.

- For controlling local crises which could lead to general war;
- For managing the confrontation with China;
- In obtaining Western economic and technological assistance;
- And for promoting the disintegration of opposing power blocs.

The Soviets will have to deal, however, with a number of dilemmas as they attempt to square established military programs and traditional attitudes with the requirements of a detente posture. In the field of strategic offensive forces, the modernization programs now underway will give the Soviets larger numbers of more accurate missile warheads, improved

missile survivability and greater operational flexibility. They are also developing more effective air and missile defenses and improved weapons and supporting systems for defense against ballistic missile submarines. In their strategic nuclear programs research and development is aimed at unique applications of existing technologies and applications of advanced technology based on different physical principles. At the same time, the Soviets will continue to modernize their ground, naval and air forces for theater warfare along the periphery of the USSR and for distant limited operations. The Soviets may have to choose between furthering detente and some of their military programs.

In its economic policy Moscow will continue to give high priority to the kinds of growth which increase national power and its projection abroad. Domestically, however, pressures will grow for modernizing reforms of the Soviet economic system, particularly its administrative structure. How the leadership responds to these pressures will be important indications of Soviet future policy. Reforms which seek managerial benefits of some type of demand system could have, as in the case of Czechoslovakia, implications for liberalizing other areas of Russian life, and will accordingly be highly controversial. Similarly, prolonged detente could result in some erosion in the pervasive authority of the Communist

Party over the Soviet populace. In a future which in general the Soviets probably regard as very favorable, their economic problems must stand out as major exceptions.

The circumstances which commend detente to the USSR, however, have complicated this picture. These are: the need to control local crises lest they lead to general war; the burden of the Sino-Soviet conflict; and the desire for economic and technological assistance from the West. The Soviets will have to deal in the coming years with a number of dilemmas as they attempt to square traditional attitudes with the requirements of a detente posture.

While continuing to modernize its ground, naval, and tactical air forces, the USSR is vigorously pursuing the opportunities left open by SALT I. Except to the extent restrained by arms limitation agreements, the Soviets will make substantive improvements in their missile forces, including MIRVing, improved accuracy, increased throw-weight, and better survivability. At the same time, they will continue to maintain and to improve their defenses. They will be working to develop effective weapons and supporting systems in such areas as ASW, satellites, and lasers. Expecting strategic equality with the US, the USSR gives indications of angling further for a measure of strategic superiority, if that can be obtained at reasonable risk.

Domestically, the pressure for modernizing reforms of the Soviet system, and particularly its economic administrative

structure, will continue. Prolonged detente may also eventually have some effect on the Community Party's ability to wield its authority effectively in all areas of public life. But these are long-term possibilities, and over the next five years the essentials of the Soviet domestic system are not likely to be substantially altered. A key intelligence focus over the next five years will be the Soviet leadership succession--as Brezhnev and the other aging seniors leave the political scene and their replacements consolidate power--with policy implications for bilateral relations with the US and the Soviet stance abroad generally, as well as for domestic Soviet priorities.

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3. China. Almost certainly, China will undergo a change in leadership. The succession could see an initial collegial unity followed by an authoritarian, aggressive and xenophobic leader. The initial period could also be followed by fragmentation into a variety of contesting military, Party, and provincial elements. For planning purposes, however, it would seem most appropriate to assume that the follow-on leadership in China will maintain the unity and authoritarian discipline imposed by the Communist Party, that it will be primarily concerned with internal unity in meeting the social and economic problems within China, and that it will retain a somewhat paranoid attitude toward the outside world and particularly suspicion of countries on its periphery.

China will continue gradually to develop its strategic forces and will present a retaliatory threat to the Soviet Union. By 1980, it will have the capability of threatening the United States with a demonstration (or desperation) strike by a small number of ICBMs and SLBMs. China will maintain large general purpose forces capable of operations on its periphery but will be unlikely to commit them in the absence of major provocation or concern.

Internally, China will continue its authoritarian economic programs, which are likely to keep agriculture abreast of population, to enable industry to expand capacity and output, and to support an increasingly modern defense establishment. Internationally, China will endeavor to become the ideological leader of the Third World. It will participate in aid programs and similar political gestures with other Third World powers but will not establish substantial authority over Third World countries.

4. Western Europe. In a variety of ways, Western Europe is in process of transition. Both the more stable and developed states of North Europe and the more fragile and volatile nations of the Southern Tier are, often in several respects, undergoing critical changes; patterns and policies familiar for 25 years or more are clearly being altered--sometimes quite rapidly--while the outlines of a new era can as yet be only dimly perceived. Uncertainties abound and

results are not foreordained; some of the determining factors lie within the control of the nations concerned, while others are international in dimension. US policy will be one variable in determining the course of events; in some respects it may be decisive, in others more marginal in impact. In some respects events are working to diminish US influence (measured against past benchmarks) while in other, less obvious ways--(energy and economic interrelationships) it is being enhanced. But whether US policy is of decisive, important or very limited impact, Europe's new uncertainties--on the spot as well as in terms of the US posture--all imply greater need for discriminating intelligence collection and analysis.

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Each of these affect the others, each is becoming an increasingly complex mixture of politics, foreign policy, military affairs, economics and psychology. And each combines familiar dimensions (e.g., the quest for European unity and its repercussions on the Atlantic Alliance in an era of detente) with newer, less understood issues like the social and political repercussions of hyperinflation and vastly increased energy costs.

Both the old and newer pressures will bear on such key European issues as Britain's political health and membership in the Community, whether the Italian Communists gain a role in the government, and indeed whether moderate government in the classic European liberal tradition can cope with current problems while withstanding assaults from extremists of left and right.

The politically more fragile states of Southern Europe, at both ends of the Mediterranean, share the functional problems just mentioned--superimposed on peculiar new political dilemmas of their own. At one end, Portugal and Spain are passing, or soon will be, through uncertain periods of transition from long-established authoritarian regimes of the right to something not yet defined but manifestly very different. And in the process, US interests and those of NATO are going to



be affected in important ways, whether these interests are as defined for the past 20 years or modified. At best, neither in Spain nor Portugal will the new governments be as receptive to US facilities or as amenable to US influence as their predecessors. And it may be that Portugal and conceivably Spain will become inhospitable. But certainly in Spain and perhaps still in Portugal there are grounds for hope that tolerable accommodations can be worked out.

The situation at the eastern end of the Mediterranean is if anything more complex--with Greece under Karamanlis struggling to reestablish viable parliamentary life; Turkey caught in a structural political stalemate which frustrates effective government; and both countries antagonistic toward each other over rights in the Aegean Sea and in Cyprus--where Makarios retains a potential difficult to control but capable of embroiling outside powers. With the first trauma of the 1975 Cyprus crisis receding and the clear reluctance of cooler heads in Athens and Ankara to risk war with each other, there is good reason to hope for a gradual defusing of this explosive situation.

Yet formidable obstacles and serious uncertainties remain--most specifically: whether Karamanlis can achieve a solid political underpinning in Greece while keeping the radical left under control and re-integrating the army back into a Greek political consensus; whether Turkey can overcome its

political standoff and gain greater government effectiveness in dealing with rampant inflation and other social problems, while avoiding another resort to military government. And both nations badly need improved political cohesion and more confident leadership if they are to be sure of staying out of trouble with each other and of repairing the rifts in their relations with the US (over the Turkish arms embargo) or NATO (in the case of Greece's partial withdrawal).

5. Eastern Europe. While Eastern Europe will continue to be under Soviet control, recurrent pressures for some loosening of ties with Moscow will complicate the picture. Internal discipline may be alleviated somewhat in these countries so long as they adhere to Soviet guidance in diplomatic and security matters. The five-year period could see an explosion from within one or more East European countries against Soviet dominance, but Moscow would quickly reestablish its hegemony (by force if necessary), whatever the price in terms of other policies. The passing of Tito could open a period of difficulty and contest over the succession and over the external orientation of Yugoslavia.

6. Japan. Japan will continue to play a major economic role and as a participant in international economic affairs generally, expanding its contacts and relations with other countries, including the USSR and China. It will probably still place priority on cooperative relations with the United States although, on issues it considers vital to its own

well-being, it will be less amenable to American influence. The internal Japanese scene is not apt to change so substantially as to affect Japan's role abroad.

7. New Powers and Blocs. The example of OPEC's disruption of the free world's energy situation is likely to be followed by further attempts at cooperative efforts by small nations to exert greater control over other important raw materials, such as copper, bauxite, and phosphates. As this process develops, these nations may seek to use their economic power for political purposes. Iran and Saudi Arabia are already doing so. Brazil, Venezuela, Nigeria, and Zaire are also becoming at least regional great powers and are playing more substantial roles in world international forums. Aside from these, several nations having considerable influence within regions and whose ties to the US have traditionally been close will display greater independence in their relations with the US. This will be particularly prevalent in the economic field but may also affect certain US strategic interests. Examples of such powers are Canada, Mexico, Panama, Australia, and Thailand.

8. The Third World will present other major problems to US policy-makers. The existing confrontations between the Arabs and Israel, North and South Vietnam, and North and South Korea hold the potential of unravelling detente at a time when the power of the US to influence their outcome is declining.

Other regional disputes--between China and Taiwan, India and Pakistan, Greece and Turkey, and blacks and whites in southern Africa--could also rekindle and threaten the tenuous equilibrium between the great powers. The newly rich powers will rapidly expand their military capabilities; some will develop nuclear armaments, however primitive. Some Third World nations will seek outlets for their frustrations in assaults on their economic relationships with great powers and attempts to dominate a variety of international forums. A few may resort to blackmail through terrorism--of a conventional or nuclear variety.

9. Social change will cause turbulence and possibly create power vacuums in a number of areas. These will stem from increased expectations and a perception of the growing economic gap between less developed countries (and classes within countries) and the developed world. Areas particularly susceptible to this process will be the Persian Gulf, certain other Arab states such as Morocco, India, possibly Indonesia, the Philippines, and, in Latin America, Argentina, Peru, Colombia, and possibly even Brazil. Internally this turbulence may be temporarily stilled by some authoritarian governments, particularly those benefiting from increased oil revenues, but these will have difficulties in maintaining themselves over the longer term and transferring power to successors. The resulting turbulence can present temptations to neighboring

states to exploit long-standing differences or to great powers desirous of extending their influence. Such turbulence will also exist within advanced nations, as economic, racial, ideological, or regional minorities turn to violence and terrorism to press their claims against more and more delicately tuned and interdependent societies.

10. The acceleration of events will be characteristic of the years ahead. This will come from improved communication and transportation, sharply reducing the time available to reflect on, negotiate, and resolve international problems. It will also raise many local events to international prominence and inflate national or political pride, posing further handicaps to successful negotiations. There will be a resulting tendency towards shorter attention spans for individual situations and a need for simultaneous perception and management of a multiplicity of international relationships. Many national or international institutions are simply not structured to cope with accelerating change. Such change will occur most conspicuously in the fields of science and technology, but the pace there will have substantial effects on the pace of sociological, industrial, and institutional change, with resultant political and economic impacts. Identification and accurate assessments of such changes and their effects will be needed on an increasingly rapid or even immediate basis.

## Part II - The Role of Intelligence

1. General. Intelligence will be charged to give increased priority to assessments on a range of problems requiring US decisions. While intelligence on strategic nuclear developments and strategic warning of military attack will continue to receive highest priority, the need will be greater in the next few years for intelligence assessments which anticipate and alert decision makers to policy problems. In an era of improved communications and transportation, of a contraction of US forward deployments of forces and of acceleration in events leading to crises, the demands will be greater for intelligence which is timely and complete. Meeting those demands will be essential for the use of diplomacy, negotiation, and other benign initiatives to head off military confrontations or international instabilities. To meet the challenges of the acceleration of events and the explosion of information, greater intelligence effort will be required (1) to reduce large volumes of raw information to manageable form; (2) to devise techniques for rapidly and accurately communicating to consumers the essential elements of foreign situations and the reliability of the assessments; (3) to identify major policy and negotiating issues; and (4) to assess intentions and likely courses of action as well as capabilities of other nations. Meeting this requirement will require more interdisciplinary analysis which melds economic, technological, sociological and cultural factors with political and military data into some unified view of the situation requiring US policy decisions.

2. The USSR. The USSR will remain as the major intelligence target. Its military power, its economic role in the world, and its foreign policies will continue to pose major problems for American leadership. Intelligence will be expected to provide precise data on Soviet military capabilities and economic activity. It must follow Soviet efforts to acquire advanced scientific and technological assistance and the potential impact on both military and economic capabilities. It will be expected also to supply reliable assessments of Soviet political dynamics and intentions. These must be supplemented by clear and accurate forecasts of likely Soviet courses of action in the political, economic, and military fields. While a small percentage of this material will become available through open exchange and access, vast fields of highly important information will be kept by the Soviets within a closed society, requiring extraordinary efforts to obtain and understand them. A particular requirement will be accurate and demonstrable monitoring of arms limitation agreements made with the Soviet Union. In the military field special attention will be focused on Soviet research and development, in particular with respect to weapons and supporting systems which could substantially affect the balance of power. These will include antisubmarine warfare, ballistic missiles, satellites and advanced-technology systems. The greater political utility of non-nuclear forces and perhaps an increasing disposition for their use, at least by some of the Soviet client states, will mean a greater burden on intelligence to maintain a current baseline of information on such forces. It will also

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mean maintaining capabilities for tactical intelligence coverage of potential crises areas and for rapid augmentation of such coverage in the event of local or general confrontation or conflict.

Attitudes and actions within the Soviet leadership and political and military doctrine strategy and plans will be of major importance in forecasting undesirable developments and in assisting in negotiations and in formulation of US policies. Forecasting and monitoring Soviet conduct abroad -- actions taken directly through diplomatic means or indirectly through surrogate nations, political parties or through economic or subversive means -- will be essential with respect to Western Europe and to US policies and actions aimed at minimizing turbulence in the Third World.

3. China. China will continue to be a second but still important intelligence target. The closed nature of Chinese society will make it difficult to assess any turmoil within the country or threats China might pose abroad. The latter will become particularly important as Chinese strategic power grows and comes to include capabilities against the United States itself. It will also apply to Chinese political activities and intentions in view of China's influence in the Far East and ties with and aspirations in the Third World.

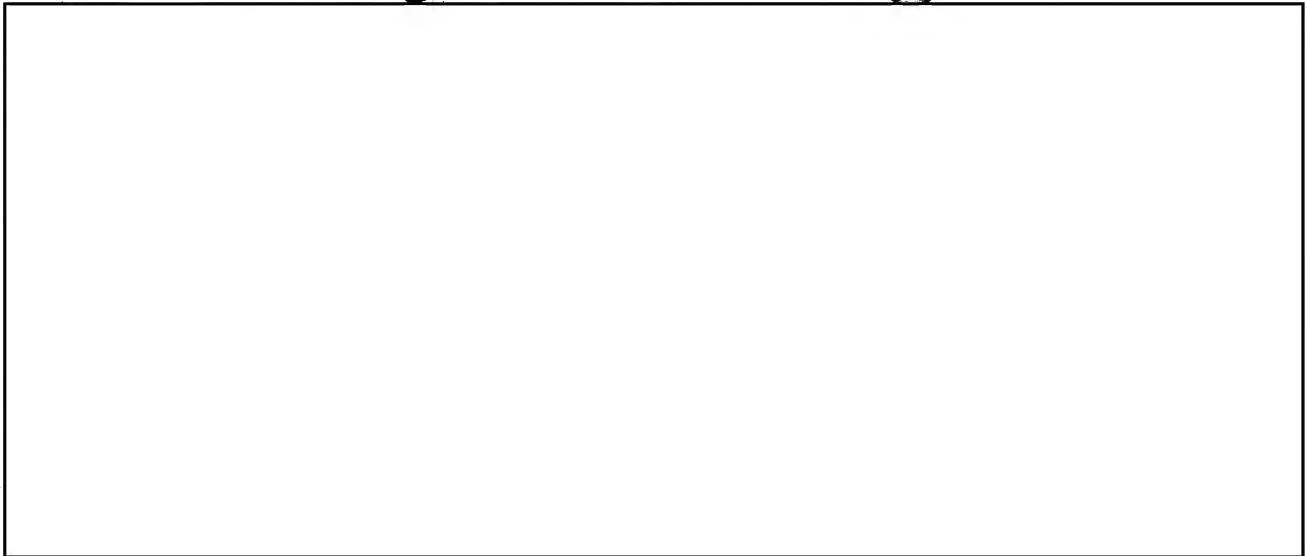


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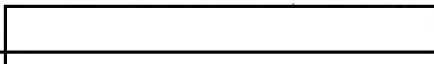
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5. Eastern Europe. Eastern Europe will be a constant collection and assessment target, in order to determine political developments vis-a-vis the USSR and the military and political strength the East European nations individually and collectively bring to the Warsaw Pact.

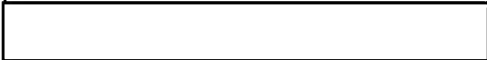
6. Economics. Economic intelligence will increasing in importance world-wide. This will include economic situations in nations having a major impact on the world economy and on relationships with the United States, 

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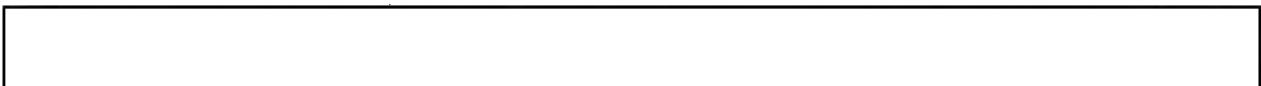


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 Economic intelligence of value to US policy makers is necessarily international in scope, including such topics as the activities of multi-national corporations, international development programs, regional economic arrangements, and the working of international commodity markets.

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the role of the intelligence community in meeting the needs of government and the private sector for economic information, determining requirements and consumers, and developing improved means of collection and analysis will be the most difficult and possibly the most important tasks faced by intelligence during the next five years.

7. Other Priorities. Intelligence will increasingly be expected to warn of and explain new situations posing problems to American interests. An example will be to identify the causes of social change, turbulence, and political terrorism in Third World countries, so the component elements of these problems can be isolated, negotiated about or countered with appropriate mechanisms. This may require intensified efforts on our part to understand and communicate the differences between societies, cultures, and nation personalities. Intelligence will be called upon more often to assess the threat of terrorists against US installations and officials as well as private enterprises and citizens abroad and, beyond that, the risk that some terrorists may acquire nuclear weapons.

8. A few of the major problems which will be either the subject of dispute or negotiation, or sometimes both, and consequently will be priority intelligence requirements, can be lists:

(a) Developments in critical regional confrontations:

- (1) Arab/Israeli
- (2) North Vietnam/South Vietnam
- (3) North Korea/South Korea
- (b) Indications of a resurgence of other confrontations:
  - (1) Pakistan/India
  - (2) Greece/Turkey
  - (3) China/Taiwan
  - (4) Black Africans/White Africans
  - (5) China/USSR
- (c) Rates of production, consumption, and pricing of raw materials and energy sources and international commodity arrangements;
- (d) Price and non-price restrictions on international trade, including transportation and communication services;
- (e) The international payments mechanism and the coordination of national fiscal-monetary policies;
- (f) National policies with respect to military sales, receipt of foreign military and economic assistance and foreign business activity and investment, including policies toward multi-national corporations;
- (g) Arms limitation, nuclear proliferation, and crisis avoidance;
- (h) Jurisdiction, exploitation, and relationships in the oceans and on sea beds.